

EL-1 00

For the costs included on Schedule V of the fuel adjustment charge monthly filing depicting the actual costs for the test month of January 2001, provide the following supporting documentation:

a.) to g.) Not applicable

h.) Invoices or other documents supporting the costs for all purchased power included in the FAC for the test month, including justification for any demand costs included.

i.) Invoices or other documents detailing the costs for interchange sales, sales for resale, company use, and other costs not subject to the FAC for test month.

h.) CIPS invoice for energy purchased January 2001.

Demand charges are recoverable by Mt Carmel per Title 83, Part 425, Section 425.40 (d).

i.) Revenue report for sales for resale, and other costs exempt from FAC  
Unbilled electricity and gas report for company use and franchise quantities.

Note: the price for items in i.) is arrived at by dividing the monthly cost of energy by the sum of all energy accounted for, both FAC sales and the various exempt categories. This appears to be the best allocation of costs between FAC charges and non-FAC categories.

1. Trace fuel costs through inventory, etc. There is no inventory for purchased electricity; tracing is direct.

2. Not applicable..

3. [REDACTED]

4. [REDACTED]

Costs:	EL-1 3		Sched V
	kwh	\$	
	8,347,882	Line 8	8,347,882
		270,349.08	270,349.08
Exempt:	EL-1 4		Sched V
	kwh		kwh
Resale	364,500	Line 16	364,500
Not subject:			
Light&Power	0		0
DD Lights:			
Residential	31,125		
Rural Res	25,950		
Commercial	25,725		
DD Only	3,225		
Indust	12,300		
L & P DD	900		
Mun DD	150		
Sub-Total DD	99,375	Line 17	99,375
Co use&free:			
Franchise	41,429		
Co use	40,469		
Sub-total	81,898	Line 18	81,898
All exempt	545,773	Line 19	545,773

## OFFICIAL FILE

ILL. C. C. DOCKET NO. 01-0692

Mt. Carmel Exhibit No. 3.0 Redacted

Witness

Separate contract sales

Pricing is the ratio of total cost to the sum of all applicable sales with FAC and all kwh exempt from FAC. This calculation is embedded in the supporting schedules for the FAC filing each month.

**THE SYSTEM**

ENG 1.01 During the reconciliation period, did your utility purchase all its electric power requirements from some other supplier without generating any electricity from your utility's own generating plants? If your answer is yes, then you may ignore all questions in this data request that pertain solely to the purchase of fuel for electric generation or to generating plants. Otherwise, please answer all the following questions.

**Yes. All electric power was purchased.**

ENG 1.02 Provide a description of your electric transmission system, including a listing of all interchange capability that existed with neighboring utilities during the reconciliation period. State the utility name and the power transfer capability of the interconnection in both directions. Explain the factors that limited power flow over each interconnection during the reconciliation period.

**Ameren/CIPS Co:**

**Albion Sub-station:**

**75 MW at 138 KV in, limited by transmission line construction**

**0 MW at 138 KV out, not provided for reverse flow.**

**Lawrenceville Sub-station:**

**25 MW at 69 KV in, limited by transmission line construction**

**25 MW at 69 KV out, limited by transmission line construction**

**Cinergy/PSI:**

**None**

ENG 1.03 If your utility experienced one or more electric generating unit forced outages that lasted one week or more during the reconciliation period, provide the following information for each occurrence.

- A. The name of the generating unit involved.
- B. The length of the forced outage in hours.
- C. The date on which the forced outage began.
- D. The cause of the forced outage.
- E. Your best estimate of any increases in fuel and purchased power cost that were incurred as a direct result of the forced outage and that were charged to rate payers through the Uniform Fuel Adjustment Clause.
- F. Any reports or other documents, prepared by your utility or its agents, that discuss the cause of the forced outage or the steps taken, or suggested to be taken, to prevent any similar forced outages in the future.

**N/A**

ENG 1.04

If your utility experienced one or more occurrences of fuel oversupply during the reconciliation period, provide the following information for each occurrence. Include all fuel oversupply situations that involved the reconciliation period, whether these oversupply situations developed before or during the reconciliation period.

- A. The fuel contract involved.
- B. The type of fuel involved.
- C. The generating units involved.
- D. The quantity of fuel oversupplied.
- E. A description of the circumstances and contract provisions causing the fuel oversupply.
- F. A description of all actions taken by your utility to eliminate the oversupply situation or to mitigate its effect on the cost of providing reliable service to rate payers at least cost.
- G. An identification and explanation of the direct and indirect costs incurred by your utility during the reconciliation period as a result of this fuel oversupply.
- H. An estimate of the dollar amount of the fuel oversupply costs identified above. Include work papers.
- I. The dollar amount of any fuel oversupply costs identified above that were passed through the Uniform Fuel Adjustment Clause to rate payers. Include work papers.

**N/A**

**MANAGEMENT, DECISION MAKING, AND PLANNING**

ENG 1.05

Explain the various forecasting methods used by your utility for the reconciliation period. Also explain how each of these forecasts was used by your utility for the reconciliation period. Include explanations for:

- A. load forecasting,
- B. electric generation fuels price and availability forecasting,
- C. electric generation fuel volume requirements forecasting,
- D. purchased capacity and energy prices and availability forecasting,
- E. purchased capacity and energy volume requirements forecasting, and
- F. off-system sales price and volume forecasting.

A. [REDACTED]

B. C. N/A

D. Costs covered by contract, no forecast on energy cost, and availability set by planned construction, based on load forecast.

E. Use A. for demand, and similar methodology for energy, using prior year's experience.

F. None sold.



ENG 1.06

Identify the management level at which fuel and power purchasing decisions were made during the reconciliation period and provide justification for this procedure. If different procedures were applied at progressively higher cost limits or longer time periods, include this information.

[REDACTED]

ENG 1.07

Explain how your utility planned its long-term fuel and power purchases to help ensure that your utility would not experience shortages or be oversupplied during the reconciliation period.

During the course of negotiation of power supply, it became apparent that Mt Carmel had outgrown its current system. During negotiations, alternative means of supplying system load were explored, and a petition for a Certificate of Public Convenience and Necessity was submitted to cover appropriate construction to meet forecast demand, in docket No 90-0294. Due to the long lead-time for construction of transmission facilities, the construction was sized to meet the forecast peak load twenty years in the future, compared to an estimated thirty-year life of equipment.

No fuel is purchased by Mt Carmel.

Contract power purchases are structured on a full requirements basis, with no ratcheted demands, thus limiting purchase costs to actual experience.

ENG 1.08 Explain how your utility's fuel planning process balanced the possibility of fuel and purchased power shortage and oversupply considerations with its desire to minimize cost during the reconciliation period. Give a detailed description of these activities related to all long-term purchase decisions made during the reconciliation period.

[REDACTED]

ENG 1.09 Explain how your utility defined long-term versus short-term purchases of fuel and power during the reconciliation period.

**No fuel is purchased by Mt Carmel.**

**Power is purchased under long term contract.** [REDACTED]

ENG 1.10 Explain how your utility determined the best mixture of long-term and short-term fuel and power purchases during the reconciliation period.

**There is no short term purchase of power.**

ENG 1.11 If purchase decisions for fuel and power were included in the corporate planning process during the reconciliation period, explain how this was done.

[REDACTED]

ENG 1.12 What were your utility's off-system sales objectives during the reconciliation period?

**None.**

ENG 1.13 Explain how your off-system energy sales objectives were allowed to affect decisions to purchase fuel and power during the reconciliation period.

**N/A**

ENG 1.14 Identify any quantities and costs of fuel and power that were purchased by your utility to meet requirements directly related to off-system sales during the reconciliation period. Explain how the decisions to purchase this fuel and power were made and how your utility determined that the purchases would be in the best interest of its rate payers.

**N/A**

ENG 1.15 Explain any after the fact evaluations conducted by your utility during the reconciliation period on its past fuel and power purchasing decisions. Identify any decisions, recommendations, policy changes, and new procedures that have resulted from these evaluations.

**We have reviewed options since retail wheeling became imminent, and have making contacts that may assist in obtaining a more favorable wholesale supply of power and energy.**

[REDACTED]

- ENG 1.16 Explain all written procedures for the procurement of fuel and power that were in effect during the reconciliation period or that were in effect when past procurement decisions were made that effected the reconciliation period. Provide a copy of these written procedures.

**Sole source wholesale power contract with Illinois Power, with wheeling over CIPS was in effect until 30 June 1991; this contract was superseded with a sole source contract with CIPS effective 1 July 1991. The ten year contract has been extended to 30 April 2002, for which time a new contract is in the process of being finalized.**

- ENG 1.17 Explain the methods used by your utility to ensure that its written procedures for fuel and purchased power procurement were being followed during the reconciliation period.

**Dispatch was passive; during high load periods, Ameren/CIPS would be asked to add capacitors to maintain voltage, as would Mt Carmel.**

- ENG 1.18 Provide the date of the most recent general management review of your fuel and purchased power procurement procedures.

**[REDACTED]**

- ENG 1.19 Provide the date when the fuel and purchased power procurement procedures were most recently changed and explain why the changes were made.

**Fuel purchases ceased October 1982 when generation ceased, due to a switch board full cost of 9.8 ¢/kwh. Wholesale power suppliers were changed 1 July 1991, based on lowest delivered cost together with assured supply. The current contract lapses 30 April 2002, and will be replaced with a five year contract.**

- ENG 1.20 Explain how your utility ensured that its fuel and purchased power procedures were understood by the procurement staff during the reconciliation period.

**Dispatch is passive. Procurement is by contract. Ameren/CIPS is provided with an annual forecast of peak power and expected energy sales.**



ENG 1.21 Explain how your utility ensured that the fuel and purchased power procurement functions were adequately staffed during the reconciliation period.

**Not staffed.**

ENG 1.22 Explain how often the fuel and purchased power procurement functions are audited by management using internal or external auditors.

- A. Provide the date when the latest audits were conducted and provide copies of the latest audit reports.
- B. List and explain any changes or modifications made to these functions as a result of the latest audits.

**No fuel is purchased.**

**Power is purchased under long term contract at set rates for demand and energy, plus a FAC, which is under FERC jurisdiction. There is no outside or inside audit of the function. Monthly meter readings are witnessed by our supervision. Wholesale power bills are compared monthly with our calculation of the expected amounts; discrepancies are reconciled with the supplier.**

ENG 1.23 Explain the procedures used to verify the quality and quantity of fuel and purchased power delivered to each of your utility's power plants, system interconnections, or metering points during the reconciliation period. Did the procedures ensure that your utility always received the quantity and quality for which it paid?

**Our people compare billed quantities with our own station load profiles. If the quantities billed are in accord with our records, the Operating Department passes the bill for payment, while if there is a discrepancy, the supplier is asked to review the billing.**

ENG 1.24 What were your utility's policies and procedures for dealing with fuel delivered to generating plants when that fuel failed to meet contract specifications during the reconciliation period? If policies and procedures differed between plants or contracts, please explain each.

**N/A**

ENG 1.25 Identify each occurrence when fuel delivered during the reconciliation period failed to meet the contract specifications. What action was taken by your utility in response to each occurrence?

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**N/A**

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ENG 1.26 Identify all procedures used by your utility to ensure that every reasonable effort was made to contact all available sources of suitable fuel and power before a new contract was awarded to a supplier during the reconciliation period. Describe all related actions taken by your utility before any new fuel and power contracts were awarded during the reconciliation period.

[REDACTED]

ENG 1.27 Explain how the departments involved in the procurement of fuel and power were organized during the reconciliation period and how this organization benefits the procurement process.

**No procurement department exists.**

- ENG 1.28 Explain the extent to which the cost of fuel and power were incorporated into the decision making process for determining the timing and budgeted level of maintenance activities for improving the efficiency or availability of generating plants during the reconciliation period. Provide a copy of all studies conducted by your utility during the reconciliation period that demonstrate this procedure.

**N/A**

- ENG 1.29 For each generating unit on your utility's system, list each planned maintenance project that was performed during the reconciliation period for the purpose of improving the fuel efficiency or availability of the generating unit. Include the cost of the maintenance project. Also, explain how your utility assured itself that the listed maintenance projects would be cost effective and would reduce the cost of providing service to customers.

**N/A**

- ENG 1.30 For each generating unit on your utility's system, list each planned maintenance project relating to fuel efficiency or unit availability that was proposed by management during the reconciliation period and later rejected or postponed by management.

- A. State whether each planned maintenance project included in your response was either rejected or postponed. If postponed, state the date when the project was completed or when it is currently scheduled to begin.
- B. Describe each rejected or postponed planned maintenance project and its purpose.
- C. Explain how each rejected or postponed planned maintenance project related to fuel efficiency or unit availability.
- D. Explain the decision making process that management used to reject or postpone each planned maintenance project. Provide all documentation of his decision making process.
- E. Provide and explain the exact reason for rejecting or postponing each planned maintenance project. If the rejection or postponement decision was based on economics, provide a copy of any economic study used in making the decision and state the results of the study.

**N/A**

- ENG 1.31 Explain how the reliability of fuel delivery and purchased power supply were balanced against price considerations in procurement decisions made during the reconciliation period.

**N/A**

- ENG 1.32 Explain how current and anticipated environmental considerations have affected

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fuel and purchased power procurement decisions made during the reconciliation  
period.

**N/A**

ENG 1.33 Explain the extent to which any system operating considerations limited the fuel  
and power purchase options available to your utility during the reconciliation  
period.

**N/A**



**CONTRACTS**

ENG 1.34 List each fuel and power purchase contract in effect during the reconciliation period and provide the following details:

- A. supplier,
- B. effective date,
- C. termination date,
- D. provisions for extension,
- E. provisions for termination,
- F. provisions for renegotiation of terms,
- G. contract type (take-or-pay, full requirements, etc.)
- H. any affiliation between the supplier and your utility,
- I. supplier's location (mine sites, metering points, pipeline names, terminals, etc.),
- J. an exact description of what is purchased,
- K. quantities purchased,
- L. any stated minimum and maximum purchase quantity limits,
- M. any stated renegotiation provisions and dates,
- N. the dates when each contract has been renegotiated or otherwise modified, along with the details of the modifications and the reasons for the modifications,
- O. the dates during the reconciliation period when the supplier has requested and your utility has approved a price change of any kind, along with an explanation of how your utility determined that a price change was appropriate,
- P. any failure of the supplier to fully comply with all provisions of the contract during the reconciliation period,
- Q. any actions taken by your utility in reaction to the supplier's failure to comply with any provision of the contract,
- R. the generating unit(s) in which fuel purchased under this contract was originally intended to be burned,
- S. all your utility's generating units in which fuel purchased under this contract could have been burned during the reconciliation period, and
- T. all your utility's generating units in which fuel purchased under this contract was burned during the reconciliation period.

- A. CIPS (now Ameren Energy)
- B. July 1, 1991
- C. June 30, 2001
- D. Year to year automatic, unless notice to terminate is given; extended by mutual agreement to 30 April 2002.
- E. On twelve months' written notice by either party, on or after 30 June 2000, or on or before later anniversaries.
- F. On or about 30 June 1999, contract terms may be renegotiated in anticipation of the end of the first term of the contract.
- G. Full requirements.
- H. None.
- I. At the Albion and Lawrenceville sub-stations of CIPS.
- J. Full service requirements for Mt Carmel at 138,000 volts, 60 Hz, to be delivered by Ameren/CIPS.
- K. All.
- L. None.
- M. None.
- N. N/A
- O. None, other than FAC.
- P. None
- Q. N/A
- R. N/A
- S. N/A
- T. N/A

- ENG 1.35 Explain all efforts your utility made to take advantage of favorable market conditions to renegotiate its fuel and purchased power contracts or to purchase fuel and power from alternative market sources during the reconciliation period.

[REDACTED]

- ENG 1.36 Identify and discuss each contract renegotiation proposal that was put forward by a contracted supplier of fuel or purchased power during the reconciliation period. Explain how your utility evaluated each of these renegotiation proposals.

[REDACTED]

- ENG 1.37 Identify and discuss each contract renegotiation proposal that your utility offered to a contracted supplier of fuel or purchased power during the reconciliation period. Explain how your utility formulated each of its renegotiation proposals.

None

- ENG 1.38 Provide a summary of the type and quantities of fuel and power purchased from different sources during the reconciliation period. Explain why these purchase quantities resulted in the lowest overall cost of service to your utility's Illinois rate payers.

[REDACTED]

ENG 1.39

Explain all the provisions your utility attempts to have included in its long-term fuel and purchased power supply contracts to help facilitate future renegotiation of the contracts if future market conditions offer an opportunity to lower supply costs. Explain any such provisions that were included in any long-term supply contract awarded during the reconciliation period.

[REDACTED]

**ALTERNATIVE SOURCES**

ENG 1.40 Identify all known alternative market sources available to you for fuel and power purchased under each contract in effect during the reconciliation period.

**None**

ENG 1.41 Compare the price in each fuel and purchased power contract in effect during the reconciliation period with the market price of alternative sources available during the reconciliation period, as identified in response to staff data request ENG 1.40.

**N/A**

ENG 1.42 Explain any reasons why you believe that any lower priced alternative sources identified in response to staff data requests ENG 1.40 and ENG 1.41 were inferior or less desirable than the contracts in effect during the reconciliation period.

**N/A**

ENG 1.43 Provide copies of and explain all studies and analyses performed by your utility during the reconciliation period to quantify the differences between the price and other provisions of each contract in effect during the reconciliation period and the market conditions for the alternative sources listed in response to staff data request ENG 1.40.

**N/A**

ENG 1.44 Describe every occurrence during the reconciliation period when your utility rejected an offer of fuel or purchased power priced below supplies furnished under an existing contract or purchase order.

- A. Explain your utility's reasons for any such rejection.
- B. Provide all documentation of these rejection decisions and all work papers created during the decision making process.

**No offers were received during the reconciliation period.**